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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Shanghai Industrial Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**上海實業控股有限公司**

**SHANGHAI INDUSTRIAL HOLDINGS LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 363)**

**PROPOSED GENERAL MANDATES TO REPURCHASE SHARES  
AND TO ISSUE SHARES  
AND  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF THE 2009 ANNUAL GENERAL MEETING**

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A notice convening the 2009 Annual General Meeting of Shanghai Industrial Holdings Limited to be held at the Conference Room of the Company at 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Friday, 5th June 2009 at 3:00 p.m., is set out on pages 13 to 16 of this circular.

Whether or not you are able to attend the meeting, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting. Completion and return of the form of proxy shall not preclude you from attending and voting at the 2009 Annual General Meeting if you so wish.

This circular contains all the information required pursuant to the Listing Rules to be given to the Shareholders.

30th April 2009

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## CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Chairman</b>	
1. Introduction .....	3
2. Proposed general mandates to repurchase the Company's own Shares and to issue Shares .....	4
3. Proposed re-election of Directors .....	4
4. 2009 Annual General Meeting .....	5
5. Demand for poll at Annual General Meeting .....	5
6. Recommendation .....	5
<b>Appendix I – Explanatory Statement</b> .....	6
<b>Appendix II – Biographical details of the Directors to be re-elected</b> .....	9
<b>Notice of the 2009 Annual General Meeting</b> .....	13



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## DEFINITIONS

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*In this circular, unless the context requires otherwise, the following expressions have the following meanings:*

<b>Term</b>	<b>Meaning</b>
“2009 Annual General Meeting”	the annual general meeting of the Company to be held on Friday, 5th June 2009 at 3:00 p.m. at the Conference Room of the Company at 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong;
“Annual Report”	the annual report 2008 of the Company being despatched to the Shareholders on or before Thursday, 30th April 2009;
“Board”	the board of Directors of the Company;
“Company”	Shanghai Industrial Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 363);
“Connected Person”	a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates (as defined under the Listing Rules);
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Issue Mandate”	the general and unconditional mandate to allot, issue and deal with Shares (and securities exercisable or convertible into Shares) with an aggregate nominal value not exceeding 20 percent of the aggregate nominal amount of the Shares in issue at the date of passing of the resolution;
“Latest Practicable Date”	24th April 2009, which is the latest practicable date prior to the printing of this circular for ascertaining certain information contained in it;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;

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## DEFINITIONS

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“Notice”	the notice convening the 2009 Annual General Meeting dated 30th April 2009 as set out on pages 13 to 16 of this circular;
“PRC”	the People’s Republic of China;
“Repurchase Mandate”	the general and unconditional mandate to exercise all powers of the Company to repurchase issued and fully-paid Shares not exceeding 10 percent of the aggregate nominal amount of the Shares in issue at the date of passing of the resolution;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	registered holder(s) of the Share(s);
“SIIC”	Shanghai Industrial Investment (Holdings) Co. Ltd., a company incorporated in Hong Kong with limited liability;
“SI Pharmaceutical”	上海實業醫藥投資股份有限公司 (Shanghai Industrial Pharmaceutical Investment Co. Ltd.), a company established under the laws of the PRC with limited liability which is a subsidiary of the Company, listed on the A Shares Market of the Shanghai Stock Exchange (stock code: 600607);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers and Share Repurchases; and
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

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## LETTER FROM THE CHAIRMAN

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上海實業控股有限公司

SHANGHAI INDUSTRIAL HOLDINGS LIMITED

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 363)**

### **Directors**

#### *Executive Directors:*

Mr. Teng Yi Long (*Chairman*)

Mr. Cai Yu Tian (*Vice Chairman & Chief Executive Officer*)

Mr. Lu Ming Fang

Mr. Ding Zhong De

Mr. Zhou Jie (*Executive Deputy CEO*)

Mr. Qian Shi Zheng (*Deputy CEO*)

Mr. Yao Fang

Mr. Zhou Jun (*Deputy CEO*)

### **Registered Office:**

26th Floor, Harcourt House,

39 Gloucester Road,

Wanchai, Hong Kong

#### *Independent Non-Executive Directors:*

Dr. Lo Ka Shui

Prof. Woo Chia-Wei

Mr. Leung Pak To, Francis

30th April 2009

*To all Shareholders*

Dear Sir or Madam,

## **PROPOSED GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES**

**AND**

## **RE-ELECTION OF DIRECTORS**

**AND**

## **NOTICE OF THE 2009 ANNUAL GENERAL MEETING**

### **1. INTRODUCTION**

The purpose of this circular is to provide you with information regarding the proposals for the Repurchase Mandate, the Issue Mandate and the re-election of Directors and to seek your approval at the 2009 Annual General Meeting in connection with, inter alia, such matters.

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## LETTER FROM THE CHAIRMAN

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### **2. PROPOSED GENERAL MANDATES TO REPURCHASE THE COMPANY'S OWN SHARES AND TO ISSUE SHARES**

At the annual general meeting held on 30th May 2008, general mandates were given to the Directors: (i) to allot, issue and deal with Shares (and securities exercisable or convertible into Shares) not exceeding 20 percent of the issued share capital of the Company at the date of passing of the ordinary resolution and (ii) to exercise the powers of the Company to repurchase Shares up to a maximum of 10 percent of the issued share capital of the Company at the date of passing of the ordinary resolution. Such mandates will lapse at the conclusion of the 2009 Annual General Meeting.

An ordinary resolution set out in the Notice will be proposed at the 2009 Annual General Meeting to grant the Repurchase Mandate to the Directors. Two additional ordinary resolutions will also be proposed at the meeting to grant the Issue Mandate to the Directors and to extend the Issue Mandate by adding to it the number of Shares repurchased by the Company under the Repurchase Mandate respectively.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,077,765,000 Shares. On the basis that no further Shares are issued or repurchased prior to the date of the 2009 Annual General Meeting, the Company would be allowed under the Issue Mandate to issue a maximum of 215,553,000 Shares, representing 20 percent of the issued Shares as at the Latest Practicable Date.

The Issue Mandate and the Repurchase Mandate would continue in force until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by law or the Articles of Association of the Company to be held or until the Issue Mandate and the Repurchase Mandate are revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever is the earlier.

The explanatory statement required by the Listing Rules to be included in this circular is set out in Appendix I to this circular.

### **3. PROPOSED RE-ELECTION OF DIRECTORS**

In accordance with Articles 92 and 101 of the Articles of Association of the Company and the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules, Mr. Teng Yi Long and Mr. Zhou Jun are subject to re-election at the 2009 Annual General Meeting, and Mr. Cai Yu Tian, Mr. Lu Ming Fang, Mr. Ding Zhong De and Mr. Leung Pak To, Francis shall retire at the 2009 Annual General Meeting. All of them, being eligible, have offered themselves for re-election.

Their biographical details which are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

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## LETTER FROM THE CHAIRMAN

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### 4. 2009 ANNUAL GENERAL MEETING

At the 2009 Annual General Meeting, ordinary resolutions will be proposed to approve the Repurchase Mandate, the Issue Mandate and the extension of the Issue Mandate.

The Notice is set out on pages 13 to 16 of this circular. Shareholders are advised to read the Notice and to complete and return the accompanying form of proxy for use at the 2009 Annual General Meeting in accordance with the instructions printed thereon.

### 5. DEMAND FOR POLL AT ANNUAL GENERAL MEETING

Pursuant to Article 73 of the Articles of Association of the Company, at any general meeting a resolution put to the vote at the meeting shall be decided on a show of hands unless a poll is taken as may from time to time be required under the Listing Rules or any other applicable laws, rules or regulations or unless a poll is (before or on the declaration of the result of the show of hands) demanded. A poll may be demanded:

- (a) by the Chairman; or
- (b) by at least three members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by any member or members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) by any member or members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

Pursuant to the Listing Rules, all resolutions put to the vote at the 2009 Annual General Meeting shall be taken by poll.

### 6. RECOMMENDATION

The Directors consider that the grant of the Repurchase Mandate, the Issue Mandate, the extension of the Issue Mandate and the re-election of Directors are in the interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the 2009 Annual General Meeting.

On behalf of the Board  
**TENG YI LONG**  
*Chairman*

This explanatory statement contains all the information required under the Listing Rules for you to consider the Repurchase Mandate.

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their fully paid up shares on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

#### **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,077,765,000 Shares. On the basis that no further Shares are issued or repurchased prior to the date of the 2009 Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 107,776,500 Shares, representing 10 percent of the issued Shares as at the Latest Practicable Date.

#### **2. REASONS FOR REPURCHASE OF SHARES**

The Directors have no present intention to repurchase any Shares and, whilst it is not possible to anticipate in advance those circumstances in which the Directors might think it appropriate to repurchase Shares, Shares would only be purchased in circumstances where the Directors consider that the purchase would be in the interests of the Company and the Shareholders. Such purchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of earnings per Share.

#### **3. SOURCE OF FUNDS**

It is proposed that repurchases of Shares under the Repurchase Mandate would be financed from internal funds and available banking facilities of the Company. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with all applicable laws of Hong Kong and the Company's Memorandum and Articles of Association.

#### **4. WORKING CAPITAL OR GEARING POSITION**

If the Repurchase Mandate was exercised in full at any time during the proposed repurchase period, it would not have a material adverse impact on the working capital of the Company or its gearing position (as compared with the position disclosed in the Company's published audited accounts for the year ended 31st December 2008). The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital of the Company or its gearing position (as compared with the position disclosed in the Company's published audited accounts for the year ended 31st December 2008) which in the opinion of the Directors are from time to time appropriate for the Company.



**5. DIRECTORS AND THEIR ASSOCIATES**

None of the Directors, nor to the best of their knowledge and belief having made all reasonable enquiries, any of their associates (as defined under the Listing Rules), has any present intention, in the event that the Repurchase Mandate is approved by Shareholders, to sell Shares to the Company.

**6. CONNECTED PERSONS**

No Connected Persons have notified the Company that they have a present intention to sell any Shares (in issue or to be issued) to the Company or have undertaken not to sell any of the Shares held by them (in issue or to be issued to them) to the Company, in the event that the Company is authorized to make repurchases of Shares.

**7. UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the proposed resolution in accordance with the Listing Rules, all applicable laws of Hong Kong and the regulations set out in the Memorandum and Articles of Association of the Company.

**8. EFFECT OF TAKEOVERS CODE**

If, as a result of a repurchase of Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a shareholder or group of shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and the provisions may otherwise apply as a result of any such increase.

As at the Latest Practicable Date, SIIC through its subsidiaries, namely Shanghai Investment Holdings Ltd., SIIC Capital (B.V.I.) Ltd., SIIC Trading Co. Ltd., SIIC Treasury (B.V.I.) Ltd., SIIC CM Development Funds Ltd., The Tien Chu (Hong Kong) Co. Ltd., South Pacific International Trading Ltd. and SIIC CM Development Ltd. held 466,644,371, 80,000,000, 1,477,000, 863,000, 707,000, 550,000, 255,000 and 10,000 Shares respectively, and is accordingly deemed to be interested in the respective Shares held by the aforementioned companies, representing approximately 51.08 percent of the total issued share capital of the Company.

Assuming no changes in the aforementioned shareholdings of the respective companies, in the event that the Directors exercise in full the power to repurchase the Shares, the shareholding of SIIC would be increased from approximately 51.08 percent to approximately 56.75 percent. Such increase would not give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. So the Directors do not aware of any consequences of any repurchase which would arise under the Takeovers Code. The Company will not purchase its Shares which will reduce the aggregate amount of the share capital of the Company in public hands to below 25 percent.

**9. SHARE PRICES**

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve months from the Latest Practicable Date are as follows:

<b>Month</b>	<b>Per Share</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2008</b>		
April	33.60	29.00
May	33.80	27.50
June	29.70	22.20
July	40.50	21.80
August	22.85	18.92
September	24.00	16.26
October	18.52	9.01
November	15.90	11.98
December	20.00	14.82
<b>2009</b>		
January	20.65	17.54
February	20.75	17.44
March	23.00	17.10
April (up to the Latest Practicable Date)	27.00	21.20

**10. SHARE REPURCHASES**

No repurchases have been made by the Company of its Shares in the last six months prior to the Latest Practicable Date.

The followings are the particulars of the Directors proposed to be re-elected at the 2009 Annual General Meeting as required under the Listing Rules:

**Mr. TENG Yi Long**, aged 61, was appointed the Chairman of the Company in May 2008. He is the chairman of SIIC. He graduated from Shanghai Jiaotong University majoring in industrial engineering management and East China University of Politics and Law majoring in civil and commercial law. He held top management position in Sichuan Diesel Engine Factory and was the Deputy Director of Sichuan Sixth Machinery Industrial Bureau under the Sixth Machinery Industrial Ministry. Also he held top management position in Shanghai Jiangnan Shipyard and was the chairman of Shanghai Municipal Federation of Trade Unions, a vice chairman of All China Federation of Trade Unions and the President of the Shanghai High People's Court. He has over 20 years of experience in the management of large enterprises and has over ten years of judicial experience. He has extensive experience in economics, legal matters, enterprise management and shipbuilding, and in organizing and implementing key technological R&D projects. Mr. Teng is currently a member of the National Committee of the Chinese People's Political Consultative Conference and the Consultative Committee of the Supreme People's Court of the PRC, an adjunct professor of East China University of Political Science and Law and Shanghai University of Engineering Science, an honorary researcher of Shanghai Academy of Social Sciences, the vice chairman of Commercial Aircraft Corporation of China, Ltd. and an honorary President of The Hong Kong Chinese Enterprises Association.

As at the Latest Practicable Date, Mr. Teng has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company nor has any interest in the Shares within the meaning of Part XV of the SFO. Mr. Teng has a service agreement with the Company commencing 5th July 2008, which may be terminated by either party giving to the other six months' prior written notice. Pursuant to the agreement, Mr. Teng is entitled to receive a basic salary of HK\$3,102,820 per annum. In addition, he may receive a discretionary bonus payment subject to the absolute discretion of the Company having regard to the operating results of the Group, prevailing market conditions and his performance. The Director's emoluments are determined by reference to the factors such as the Company's operating performance, industry benchmark and job responsibilities.

**Mr. CAI Yu Tian**, aged 59, was appointed an Executive Director, the Vice Chairman and the Chief Executive Officer of the Company in December 2005. He is also an executive director and the president of SIIC. Concurrently he is the chairman of Shanghai Urban Development (Holdings) Co. Ltd., Shanghai SIIC South Pacific Hotel Co. Ltd. and General Water of China Co. Ltd. Mr. Cai obtained a master's degree from East China Normal University with major in world economics, and was a research associate. Mr. Cai had been the manager of Zhong Hua Enterprises Co. and the vice chairman of Shanghai Gu Bei Joint Development Co. During the period from September 1987 to November 2005, he had been the Deputy Director and the Director of the Shanghai Municipal Housing Administration Bureau, the Director of the Shanghai Municipal Housing and Land Administration Bureau and the Director of the Shanghai Municipal Housing, Land and Resources Administration Bureau respectively. Mr. Cai has more than 20 years' experience in real estate, economic and administrative management.

As at the Latest Practicable Date, Mr. Cai has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. He has a personal interest in 520,000 Shares and 520,000 share options altogether representing 0.1% of the total issued share capital of the Company. Save as aforesaid, he has no other interests in the Shares within the meaning of Part XV of the SFO. Mr. Cai has a service agreement with the Company commencing 1st January 2006, which shall be terminated by either party giving to the other six months' prior written notice. Pursuant to the agreement, Mr. Cai is entitled to receive a basic salary of HK\$2,250,990 per annum. In addition, he may receive a discretionary bonus payment subject to the absolute discretion of the Company having regard to the operating results of the Group, prevailing market conditions and his performance. The Director's emoluments are determined by reference to the factors such as the Company's operating performance, industry benchmark and job responsibilities.

**Mr. LU Ming Fang**, aged 52, joined the Company in January 2002. He is an Executive Director of the Company and SIIC, the chairman of SI Pharmaceutical and the chairman of S.I. Pharmaceuticals Group Ltd. He graduated from Fudan University with a master's degree in economics and The Chinese University of Hong Kong with a master's degree in professional accountancy, and is designated a senior economist. Mr. Lu joined SIIC in July 1995. He is the chairman of Shanghai Pharmaceutical (Group) Co. Ltd., and was the Chief Executive Officer of the Company, deputy general manager of the assets management department of SIIC, a director and executive deputy general manager of Shanghai S. I. Capital Co. Ltd., director and general manager of Shanghai Industrial United Holdings Co. Ltd. (now SI Pharmaceutical), assistant president and vice president of SIIC and general manager of its finance and planning department. He has over 20 years' management experience, including over 10 years' working experience in investment banking and listed companies.

As at the Latest Practicable Date, Mr. Lu has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. He has a personal interest in 1,358,000 Shares, representing 0.13% of the total issued share capital of the Company. Save as aforesaid, he has no other interests in the Shares within the meaning of Part XV of the SFO. His appointment as an Executive Director of the Company shall continue for a term of three years until 31st December 2011 subject to retirement by rotation in accordance with the Company's Articles of Association. Mr. Lu is entitled to receive a director's fee of HK\$200,000 per annum. Such fee is determined by reference to the industry benchmark as reviewed by the Remuneration Committee from time to time.

**Mr. DING Zhong De**, aged 59, was appointed an Executive Director of the Company in January 2004. He joined SIIC in May 1997. He is an executive director of SIIC and is the chairman of Nanyang Brothers Tobacco Co. Ltd., a director of The Wing Fat Printing Co. Ltd. and the chairman of the supervisory committee of SI Pharmaceutical. Mr. Ding obtained a master's degree in science from Fudan University and holds the designation of senior economist. He was the Deputy Director of the Shanghai Municipal Party Committee's Research Office. He has extensive experience in economic research and enterprise management.

As at the Latest Practicable Date, Mr. Ding does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. He has a personal interest in 685,000 Shares and 400,000 share options altogether representing 0.1% of the total issued share capital of the Company. Save as aforesaid, he has no other interests in the Shares within the meaning of Part XV of the SFO. Mr. Ding has a service agreement with the Company commencing 1st January 2006, which shall be terminated by either party giving to the other six months' prior written notice. Pursuant to the agreement, Mr. Ding is entitled to receive a basic salary of HK\$1,831,200 per annum. In addition, he may receive a discretionary bonus payment subject to the absolute discretion of the Company having regard to the operating results of the Group, prevailing market conditions and his performance. The Director's emoluments are determined by reference to the factors such as the Company's operating performance, industry benchmark and job responsibilities.

**Mr. Zhou Jun**, aged 40, has been a Deputy CEO of the Company since December 2005 and was appointed an Executive Director of the Company in April 2009. He is the chairman of Shanghai Hu-Ning Expressway (Shanghai Section) Co. Ltd. and Shanghai Luqiao Development Co. Ltd. and a director of Shanghai Urban Development (Holdings) Co. Ltd. and General Water of China Co. Ltd. He graduated from Nanjing University and Fudan University with a bachelor's and a master's degree in economics (international finance), and is designated an economist. He is a vice president of SIIC, and is a member of the Shanghai Municipal People's Congress. Mr. Zhou worked for Guotai Securities Co. Ltd. (now Guotai Junan Securities Co.). He joined SIIC in April 1996, and the management positions he had held within the SIIC group of companies were deputy general manager of SIIC Real Estate Holdings (Shanghai) Co. Ltd., deputy general manager of Shanghai United Industrial Co. Ltd. (now SI Pharmaceutical), director and general manager of Shanghai Galaxy Investment Co. Ltd. and general manager of the strategic investment department of SIIC. Mr. Zhou has more than 10 years' professional experience in securities, finance, real estate and project planning.

As at the Latest Practicable Date, Mr. Zhou has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. He has a personal interest in 120,000 Shares and 360,000 share options altogether representing 0.04% of the total issued share capital of the Company. Save as aforesaid, he has no other interests in the Shares within the meaning of Part XV of the SFO. Mr. Zhou has a service agreement with the Company commencing 15th April 2009, which shall be terminated by either party giving to the other six months' prior written notice. Pursuant to the agreement, Mr. Zhou is entitled to receive a basic salary of HK\$1,796,690 per annum. In addition, he may receive a discretionary bonus payment subject to the absolute discretion of the Company having regard to the operating results of the Group, prevailing market conditions and his performance. The Director's emoluments are determined by reference to the factors such as the Company's operating performance, industry benchmark and job responsibilities.

**Mr. Leung Pak To, Francis**, aged 54, was appointed an Independent Non-Executive Director of the Company in March 1996. He has over 28 years of experience in corporate finance involving in capital raisings, mergers and acquisitions, corporate restructuring and reorganisation, investments and other general corporate finance advisory activities in Hong Kong and China. In 1980, he graduated with a master's degree in business administration from University of Toronto, Canada.

As at the Latest Practicable Date, Mr. Leung has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company nor has any interest in the Shares within the meaning of Part XV of the SFO. His appointment as an Independent Non-Executive Director of the Company shall continue for a term of three years until 31st December 2010 subject to retirement by rotation in accordance with the Company's Articles of Association. Mr. Leung is entitled to receive a director's fee of HK\$172,095 per annum and fees for serving on the Audit Committee and Remuneration Committee of the Company respectively totaling HK\$140,000 per annum. Such fees are determined by reference to the industry benchmark as reviewed by the Remuneration Committee from time to time.

Save for the information disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor is there any information required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules in relation to the re-election of Directors.

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## NOTICE OF THE 2009 ANNUAL GENERAL MEETING

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上海實業控股有限公司

SHANGHAI INDUSTRIAL HOLDINGS LIMITED

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 363)**

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting of Shanghai Industrial Holdings Limited (the “Company”) will be held at the Conference Room of the Company at 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Friday, 5th June 2009 at 3:00 p.m. for the following purposes:–

1. To receive and consider the audited consolidated Financial Statements of the Company for the year ended 31st December 2008 together with the Reports of the Directors and the Auditor thereon.
2. To declare a final dividend.
3. To re-elect Directors and authorise the Board of Directors to fix the Directors’ remuneration.
4. To re-appoint Auditor and authorise the Board of Directors to fix the Auditor’s remuneration.

To consider as special business, and, if thought fit, pass with or without modification, the following resolutions as Ordinary Resolutions:

### **ORDINARY RESOLUTIONS**

5. **“THAT:**
  - A. subject to paragraph (B) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase ordinary shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
  - B. the aggregate nominal amount of the share capital of the Company which the Company is authorised to repurchase pursuant to the approval in paragraph (A) of this Resolution shall not exceed 10 percent of the aggregate nominal



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## NOTICE OF THE 2009 ANNUAL GENERAL MEETING

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amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the authority pursuant to paragraph (A) of this Resolution shall be limited accordingly; and

C. for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- i. the conclusion of the next Annual General Meeting of the Company;
- ii. the expiration of the period within which the next Annual General Meeting of the Company is required by the Articles of Association of the Company or any applicable laws of Hong Kong to be held; or
- iii. the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meetings.”

6. **“THAT:**

- A. subject to paragraph (C) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- B. the approval in paragraph (A) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
- C. the aggregate nominal amount of share capital allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (A) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), (ii) the exercise of the subscription or conversion rights attaching to any warrants, convertible bonds or other securities issued by the Company which are convertible into shares of the Company, (iii) any share option scheme or similar arrangement for the time being adopted for the grant or issue to the eligible participants of shares or rights to acquire shares in the capital of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company,



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## NOTICE OF THE 2009 ANNUAL GENERAL MEETING

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shall not exceed 20 percent of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and

D. for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- i. the conclusion of the next Annual General Meeting of the Company;
- ii. the expiration of the period within which the next Annual General Meeting of the Company is required by the Articles of Association of the Company or any applicable laws of Hong Kong to be held; or
- iii. the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meetings.”

“Rights Issue” means an offer of shares open for a period fixed by the Company or by the Directors of the Company to holders of shares on the Register of Members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

7. “**THAT**, conditional upon the passing of Resolutions numbered 5 and 6 set out in the notice convening this meeting, the aggregate nominal amount of the shares which are repurchased or otherwise acquired by the Company pursuant to Resolution numbered 5 shall be added to the aggregate nominal amount of the shares which may be issued pursuant to Resolution numbered 6, provided that such an amount shall not exceed 10 percent of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution.”

By Order of the Board  
**Shanghai Industrial Holdings Limited**  
**Leung Lin Cheong**  
*Company Secretary*

Hong Kong, 30th April 2009

*Registered Office:*  
26th Floor, Harcourt House,  
39 Gloucester Road,  
Wanchai, Hong Kong.

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## NOTICE OF THE 2009 ANNUAL GENERAL MEETING

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*Notes:*

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and on a poll, vote on his behalf. The proxy need not be a Shareholder of the Company.
2. In order to be valid, a proxy form together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the registered office of the Company at 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting or poll (as the case may be). Completion and return of a proxy form will not preclude a Shareholder from attending and voting in person if he is subsequently able to be present and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. The Register of Members of the Company will be closed from Wednesday, 3rd June 2009 to Friday, 5th June 2009, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the entitlement of the final dividend and be entitled to attend the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong by 4:30 p.m. on Tuesday, 2nd June 2009.
4. The Board of Directors has recommended a final dividend for the year ended 31st December 2008 of HK36 cents per share (2007: HK43 cents per share). Together with the interim dividend of HK45 cents per share (2007: HK37 cents per share), the total dividend for the year amounts to HK81 cents per share (2007: HK80 cents per share).
5. Concerning Resolution numbered 3 above, Mr. Teng Yi Long and Mr. Zhou Jun are subject to the re-election at the Annual General Meeting, and Mr. Cai Yu Tian, Mr. Lu Ming Fang, Mr. Ding Zhong De, and Mr. Leung Pak To, Francis will retire by rotation. All of them, being eligible, have offered themselves for re-election at the Annual General Meeting, and their biographical details together with other information are set out in Appendix II to the circular to Shareholders dated 30th April 2009 (the "Circular"). None of the Directors being proposed for re-election at the Annual General Meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation. Details of Directors' emoluments are set out in note 13 to the consolidated financial statements in the Annual Report 2008. Details of Directors' years of service and term of appointment are set out in the corporate governance report in the Annual Report 2008.
6. Concerning Resolutions numbered 5 and 6 above, the Directors wish to state that there are no immediate plans to repurchase any existing shares or to issue any new shares or warrants. The explanatory statement containing the information necessary to enable the Shareholders to make an informed decision on whether to vote for or against the Resolution numbered 5 to approve the repurchase by the Company of its own shares, as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited is set out in Appendix I to the Circular.
7. Proxy forms for use at the Annual General Meeting will be sent to Shareholders together with the Annual Report 2008 on or before Thursday, 30th April 2009. The proxy form will be published on the HKExnews website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and can also be downloaded from the Company's website at [www.sihl.com.hk](http://www.sihl.com.hk).